

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA,	)	
	)	Criminal No.
v.	)	
	)	<b>Filed:</b> 9-27-95
D.M.E. INDUSTRIES INC.,	)	
	)	15 U.S.C. § 1
Defendant.	)	

INFORMATION

The United States of America, acting through its attorneys,  
charges:

I

DEFENDANT AND CO-CONSPIRATORS

1. D.M.E. INDUSTRIES INC., (D.M.E.) is hereby made a defendant on the charge stated below. D.M.E. is a corporation organized and existing under the laws of the State of New York, with its principal place of business in Astoria, New York. During the period covered by this information, D.M.E. manufactured metal insignia through its division, Denmark Military Equipment Company, also located in Astoria, New York, and embroidered insignia through its affiliate, Eveready Embroidery, Inc., located in Jersey City, New Jersey. Through Eveready and Denmark, D.M.E. sold insignia to the Army Air Force Exchange Service (AAFES) for resale to United States military personnel.

2. Various individuals and companies not made defendants herein, participated as co-conspirators in the offense charged herein and performed acts and made statements in furtherance thereof.

3. Wherever in this information reference is made to any act, deed, or transaction of a corporation, the allegation means that the corporation engaged in the act, deed or transaction by or through its officers, directors, agents, employees or representatives while they were actively engaged in the management, direction, control or transaction of its business or affairs.

## II

### BACKGROUND

4. AAFES operates over 3,000 retail facilities on military installations worldwide at which military insignia are offered for resale to military personnel. Military insignia include embroidered insignia and metal insignia. Military insignia are accessories attached to a soldier's uniform to designate branch of service, unit, rank, and also identify the wearer's years of service, campaigns served, training completed and meritorious and heroic conduct performed. Military insignia are manufactured and sold to AAFES by the defendant and co-conspirator companies.

5. AAFES procures military insignia through open order contracts and competitively bid individual bulk contracts with awards made to the qualified bidder offering the lowest price.

During the period covered by this information, D.M.E. and its co-conspirator companies supplied AAFES with military insignia under open order contracts and competitively bid individual bulk contracts.

III

OFFENSE CHARGED

6. Beginning at least as early as January 1990 and continuing at least until December 1993, the exact dates being unknown to the United States, the defendant and co-conspirators entered into and participated in a combination and conspiracy to suppress and eliminate competition in unreasonable restraint of trade and commerce.

7. The charged conspiracy consisted of an agreement, understanding and concert of action among the defendant and co-conspirators, the substantial terms of which were to submit collusive, non-competitive and rigged bids and fixed prices on military insignia contracts with AAFES.

8. For the purpose of forming and carrying out the charged conspiracy, the defendant and co-conspirators did those things which they combined and conspired to do, including, among other things:

- (a) discussing among themselves the submission of prospective prices on open order contracts and individual bulk contracts;
- (b) agreeing among themselves which company would be the low bidder for the individual bulk contracts;
- and

- (c) submitting fixed prices and collusive, non-competitive and rigged bids for the aforementioned contracts.

#### IV

##### TRADE AND COMMERCE

9. During the period covered by this information, a substantial quantity of military insignia manufactured by the defendant and co-conspirators were shipped across state lines and overseas to military facilities throughout the United States and abroad.

10. During the period covered by this information, the activities of the defendant and co-conspirators, which are the subject of this information, were within the flow of, and substantially affected, interstate and foreign trade and commerce.

#### V

##### JURISDICTION AND VENUE

11. The combination and conspiracy charged in this information was formed and carried out, in part, within the Eastern District of Pennsylvania, within the five years preceding the filing of this Information.

ALL IN VIOLATION OF TITLE 15, UNITED STATES CODE, SECTION 1.

Dated:

/s/

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JOEL I. KLEIN  
Acting Assistant Attorney General

/s/

\_\_\_\_\_  
WILLARD S. SMITH

/s/

\_\_\_\_\_  
GARY R. SPRATLING

/s/

\_\_\_\_\_  
BRADFORD L. GEYER

/s/

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/s/

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Eastern District of Pennsylvania